



Common Reporting Standard (CRS) – The Background

What is the Common Reporting Standard (CRS)?

CRS is the new, single, global standard on the automatic exchange of information, which is aimed at addressing offshore tax evasion. Revenue is the body responsible for exchanging this information. So far, over 90 countries and territories, including Ireland, have signed up to implementing the standard. It comes into effect on 1st January 2016. It is separate to the FATCA (Foreign Account Tax Compliance Act) requirements which are in place between Ireland and the USA. CRS is only interested in the tax residency of the individual while FATCA is interested in the citizenship and (tax) residency.

To whom does CRS apply?

CRS applies to financial institutions such as banks, life assurance companies, investment funds and stockbrokers, who must all report on their accounts (deposits, life assurance products and funds). Institutions must make a return to Revenue each year, who in turn exchanges information with its counterparts in other countries.

To which life assurance products does CRS apply?

CRS applies to savings, investments and unit linked protection products when the plan is *owned* by an individual or entity that is *resident for tax purposes*, anywhere other than the Republic of Ireland or the USA. To establish whether CRS applies at new business stage, a question will be included on all application forms and on ePOS. It is possible to be tax-resident in more than one country and it may be the case that an individual or entity is tax-resident in the ROI and/or the USA as well as other countries.

Does CRS apply to new business and existing policies?

We must check if CRS is applicable to the policy owner at new business stage and also for existing policies if certain changes happen throughout its lifetime e.g. change of address, noting an assignment, applying a top-up.

IMPORTANT – Irish Life's products and the residency of policy owners

As Irish Life's products are not licensed to be sold or marketed outside of the ROI, it cannot accept any new business from individuals or entities that are not habitually resident *and* tax resident in the ROI. Therefore there will be very limited circumstances when CRS applies to Irish Life policies; potentially those written in trust or assigned or when dual tax-residency applies.

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Contact us

E-MAIL: advisoryservices@irishlife.ie

WEBSITE: www.irishlife.ie

WRITE TO: Irish Life, Lower Abbey Street, Dublin 1

Irish Life Assurance plc is regulated by the Central Bank of Ireland. Irish Life Assurance plc, Registered in Ireland number 152576, Vat number 9F55923G.



Common Reporting Standard (Impact On Process)

To which life assurance products does CRS apply?

CRS applies to savings, investments and unit linked protection products when the plan is *owned* by an individual or entity that is *resident for tax purposes*, anywhere other than the Republic of Ireland or the USA. To establish whether CRS applies at new business stage, a question will be included on all application forms and on ePOS.

Changes to the application form – individuals

From 1st January 2016, Irish Life application forms and ePOS will have new questions relating to CRS. Individuals will be asked to certify their country of birth, country of residence for tax purposes and for their Tax Identification Number (TIN) if tax-resident outside of the ROI or the USA. It is possible to be tax-resident in more than one country and it may be the case that an individual or entity is tax-resident in the ROI and/or the USA as well as other countries.

N.B. As Irish Life's products are not licensed to be sold or marketed outside of the ROI, it cannot accept any new business where the policy owner (proposer) is not habitually resident *and* tax resident in the ROI. Therefore there will be very limited circumstances when CRS applies to Irish Life policies; potentially those written in trust or assigned or when dual tax-residency applies.

Changes to the application form – Entities

If the policy owner is an entity, the entity will be asked to certify:

- The entity's Country of Incorporation and Country of Tax Residency
- The names of those controlling the entity (25%+ shareholding or voting rights), their Country of Residence and Tax Identification Number
- The entity must be recorded as a "Third Party Authority"

Financial institutions, government bodies and companies trading on a recognised stock exchange are exempt. From 1st January 2016, Irish Life application forms and ePOS will have new questions to record this information.

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Requirements for policies written In Trust

Trusts are treated in the same way as an entity. If a policy is to be written in trust, the following must be established for all interested parties (Trustees, Settlor, Plan Owner, *known* Beneficiaries).

- Country of Residence
- Tax Identification Number (TIN) - if tax-resident outside of the Republic of Ireland or the USA

It is possible to be tax-resident in more than one country and it may be the case that an individual or entity is tax-resident in the ROI and/or the USA as well as other countries.

From 1st January 2016, Irish Life application forms will have new questions to capture this. ePOS does not currently have a field for capturing all interested parties so the New Business Team will liaise with the financial adviser to get this information.

N.B. As Irish Life's products are not licensed to be sold or marketed outside of the ROI, it cannot accept any new business where the policy-owner (proposer) is not habitually resident *and* tax resident in the ROI. Therefore, there will be very limited circumstances when CRS applies to Irish Life policies; potentially those written in trust or assigned or when dual tax-residency applies.

Please see our separate article on Irish Life Products and the Question of Residency if you need more information on this matter.

Requirements for existing policies being assigned

If an existing policy is being assigned, we must establish the Country of Residence of the new policy owner. Depending on whether the new policy owner is an individual or an entity, the applicable new business requirements noted on page 1 will apply.

Data Protection

The customer will be informed via ePOS tooltips and on the application's declaration, of why the data is being collected, how it will be used, what will be reported to Revenue, that it may be exchanged with other tax authorities (by Revenue) and details of where the customer can get further information.

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